

## VOLUNTARY DISSOLUTION OF DOMESTIC NONPROFIT CORPORATIONS

The voluntary dissolution of a domestic nonprofit corporation is initiated by an election to dissolve. The election to dissolve may be made by the vote or written consent of a majority of all the members of the corporation or, if there are no members, by the board of directors.

Following the election, a Certificate of Election to Wind Up and Dissolve must be prepared and filed with the Secretary of State's Office. To complete the dissolution, a Certificate of Dissolution must also be prepared and filed with this office. The Certificate of Election must be filed prior to, or simultaneously with, the Certificate of Dissolution.

**NOTE:** If the election to dissolve was made by the vote of **all** the members of a corporation **with** members or by **all** members of the board of directors of a corporation **without** members, the Certificate of Election is **not** required to be filed if the Certificate of Dissolution includes one of the following applicable statements:

- **The corporation has no members, the election was made by all the directors of the corporation.**

**OR**

- **The election to dissolve was made by the vote of all the members of the corporation.**

Samples for both methods, drafted to meet statutory requirements for most filings, are attached and can be used as a guide when drafting documents. Modifications can be made, as necessary, to meet the specific needs of the dissolving corporation. Please refer to California Corporations Code Sections 6611 and 6615 (public benefit and religious corporations) and Sections 8611 and 8615 (mutual benefit corporations) prior to modification.

If a nonprofit corporation, organized for charitable purposes [tax exempt under Revenue and Taxation Code Section 23701(d)] or holding assets under charitable trust, holds any assets at the time of dissolution, the distribution of those assets must be approved by the Attorney General. See Corporations Code Sections 6716, 8716 and 9680.

A Certificate of Dissolution cannot be filed without a current and valid Tax Clearance Certificate issued by the Franchise Tax Board. If the Certificate of Dissolution (meeting statutory requirements) is accompanied by a current and valid Tax Clearance Certificate, the Certificate of Dissolution will be filed. The Certificate of Dissolution can be submitted to the Secretary of State's Office with a completed Request for Tax Clearance Certificate – Corporation (form FTB 3555) or Request for Tax Clearance Certificate – Exempt Organizations (form FTB 3555A), as applicable. The Secretary of State will forward form FTB 3555 or FTB 3555A to the Franchise Tax Board and hold Certificate of Dissolution pending issuance of the Tax Clearance Certificate. When the Tax Clearance Certificate is issued, the Franchise Tax Board will forward a copy to the Secretary of State's Office, at which time the Certificate of Dissolution will be filed. All nonprofit corporations, including those with tax exemption, must obtain a Tax Clearance Certificate.

Forms FTB 3555 and FTB 3555A can be obtained by calling the Franchise Tax Board at 1-800-338-0505 or can be downloaded from the [Franchise Tax Board's Internet Web site](#). Questions regarding the issuance of a Tax Clearance Certificate or the completion of forms FTB 3555 or FTB 3555A must be directed to the Franchise Tax Board.

Documents **must** be mailed or hand delivered for over the counter processing to the Sacramento office at:

Business Programs Division (916) 653-2318  
1500 11<sup>th</sup> Street  
Sacramento, CA 95814  
Attention: Document Filing Support Unit

Dissolution documents cannot be filed in a branch office at this time.

All dissolution documents must be filed with the Secretary of State. Mailing or submitting dissolution documents to other state or federal agencies, including the Franchise Tax Board and the Internal Revenue Service, will not satisfy the statutory filing requirements for dissolution.

For proof of submittal of proposed dissolution documents, it is recommended that documents mailed to the Secretary of State's Office be sent by Certified Mail, Return Receipt Requested. To expedite processing, documents submitted by mail should be accompanied by a self-addressed envelope and a letter referencing the corporate name and corporate number as well as the name, telephone number and address to whom documents are to be returned.

THERE IS NO FEE FOR FILING A CERTIFICATE OF ELECTION TO WIND UP AND DISSOLVE OR A CERTIFICATE OF DISSOLUTION.

The Secretary of State will certify two copies of the filed dissolution document(s), without charge, **provided that the copies are submitted to the Secretary of State with the originals to be filed.** Any additional copies submitted with the original will be certified upon request and payment of the \$8.00 per copy certification fee.

A \$15.00 **special handling fee** is applicable for expedited processing of documents delivered in person at the public counter in the Sacramento Headquarters Office. The \$15.00 special handling fee must be remitted by separate check for each submittal and will be **RETAINED WHETHER THE DOCUMENTS ARE FILED OR REJECTED.** The special handling fee does not apply to documents submitted by mail.

**PLEASE REFER TO THE CORPORATE NUMBER WHEN SUBMITTING  
DOCUMENTS FOR FILING TO ENSURE PROPER APPLICATION**

## INSTRUCTIONS:

THE SAMPLES PROVIDED ARE TO BE USED AS A GUIDE WHEN DRAFTING DOCUMENTS FOR THE DISSOLUTION OF A DOMESTIC NONPROFIT CORPORATION.

Determine which of the following options applies and follow the sample(s) referenced.

- Corporations **without** members dissolving with **less than 100%** director approval (**both** a Certificate of Election to Wind Up and Dissolve **and** a Certificate of Dissolution must be filed) – use samples NP ELEC and NP DISS
- Corporations **without** members dissolving with **100% director approval** (Certificate of Election is not required) – use sample SINGLE NP DISS 100%
- Corporations **with** members dissolving with **less than 100%** member approval (**both** a Certificate of Election to Wind Up and Dissolve **and** a Certificate of Dissolution must be filed) – use samples NP ELEC and NP DISS
- Corporations **with** members dissolving with **100% member approval** (Certificate of Election is not required) - use sample SINGLE NP DISS 100%

### Instructions for preparing a Certificate of Dissolution following the sample SINGLE NP DISS 100%

The **Certificate of Dissolution** must be executed by a majority of directors of the corporation now in office. The samples provide spaces for three signatures. If more or less signature space is required (depending on the number of individuals constituting a majority of directors), make adjustments as necessary.

Paragraph 1: Include the name of the corporation **exactly** as the name is of record with the Secretary of State. The certificate must include the name of the dissolving corporation and must indicate that the person(s) executing the certificate are a majority of directors of the corporation now in office.

Paragraph 2: Include this exact statement. The Corporations Code requires the certificate to state **The corporation has been completely wound up.**

Paragraph 3: Choose the applicable statement and include that statement when drafting the certificate. (Note, only **one** of the five options can be included.) The Corporations Code requires the certificate to include a statement as to the disposition of the corporation's known debts and liabilities.

If the debts and liabilities are being assumed, the name and address of the person assuming the debts and liabilities must be included as part of this paragraph.

Paragraph 4: Choose the applicable statement and include that statement when drafting the certificate. (Note, only **one** of the two options can be included.) The Corporations Code requires the certificate to include a statement regarding the distribution of assets.

Paragraph 5: Include this exact statement. The Corporations Code requires the certificate to state **The corporation is dissolved.**

Paragraph 6: Choose the applicable statement and include that statement when drafting the certificate. (Note, only **one** of the two options can be included.) The Corporations Code requires the Certificate of Dissolution to include this statement, thereby eliminating the requirement to file a separate Certificate of Election. Note, if neither statement applies, both a Certificate of Election to Wind Up and Dissolve **and** a Certificate of Dissolution must be filed following samples NP ELEC and NP DISS.

- All certificates must be verified under penalty of perjury, dated and signed, with the person's name and title of "director" typed directly beneath their signature.
- To expedite processing, the documents should be accompanied by a self-addressed envelope and a letter referencing the corporate name and number, your name and telephone number, and a return address.
- The Secretary of State strongly recommends that competent legal counsel be consulted prior to submitting dissolution documents to ensure that all issues are appropriately addressed.

## Instructions for preparing a Certificate of Election to Wind Up and Dissolve and a Certificate of Dissolution following samples NP-ELEC and NP-DISS

The Certificate of Election to Wind Up and Dissolve can be an Officers' Certificate as defined by Corporations Code Section 5062, can be signed and verified by one or more members authorized to do so by approval of a majority of all members, or can be signed and verified by a majority of directors. The Certificate of Dissolution **must** be executed by a majority of directors. Because the Certificate of Dissolution **must** be executed by a majority of directors, the samples have been formatted using directors. The samples provide spaces for three signatures. If more or less signature space is required (depending on the number of individuals constituting a majority of directors), make adjustments as necessary.

### Sample NP ELEC

- Paragraph 1: Include the name of the corporation **exactly** as the name is of record with the Secretary of State. The certificate must include the name of the dissolving corporation and must indicate that the person(s) executing the certificate are a majority of directors of the corporation now in office.
- Paragraph 2: Include this exact statement. The Corporations Code requires the certificate to state **The corporation has elected to wind up and dissolve.**
- Paragraph 3: Choose the applicable statement and include that statement when drafting the certificate. (Note, only **one** of the three options can be included.) The Corporations Code requires the certificate to identify how the election to dissolve was made. If the applicable statement is the **The election to dissolve was made by the vote of \_\_\_\_ members, constituting a majority of all members**, the statement must include the number of members voting.

### Sample NP DISS

- Paragraph 1: Include the name of the corporation **exactly** as the name is of record with the Secretary of State. The certificate must include the name of the dissolving corporation and must indicate that the person(s) executing the certificate are a majority of directors of the corporation now in office.
- Paragraph 2: Include this exact statement. The Corporations Code requires the certificate to state **The corporation has been completely wound up.**
- Paragraph 3: Choose the applicable statement and include that statement when drafting the certificate. (Note, only **one** of the five options can be included.) The Corporations Code requires the certificate to include a statement as to the disposition of the corporation's known debts and liabilities.
- If the debts and liabilities are being assumed, the name and address of the person assuming the debts and liabilities must be included as part of this paragraph.
- Paragraph 4: Choose the applicable statement and include that statement when drafting the certificate. (Note, only **one** of the two options can be included.) The Corporations Code requires the certificate to include a statement regarding the distribution of assets.
- Paragraph 5: Include this exact statement. The Corporations Code requires the certificate to state **The corporation is dissolved.**
- All certificates must be verified under penalty of perjury, dated and signed, with the person's name and title of "director" typed directly beneath their signature.
  - To expedite processing, the documents should be accompanied by a self-addressed envelope and a letter referencing the corporate name and number, your name and telephone number, and a return address.
  - The Secretary of State strongly recommends that competent legal counsel be consulted prior to submitting dissolution documents to ensure that all issues are appropriately addressed.

## **CERTIFICATE OF DISSOLUTION**

The undersigned certify that:

1. They constitute a majority of the directors now in office of \_\_\_\_\_ *(NAME OF CORPORATION)* \_\_\_\_\_, a California Corporation.

2. The corporation has been completely wound up.

3. The corporation's known debts and liabilities have been actually paid.

**OR**

3. The corporation's known debts and liabilities have been paid as far as its assets permitted.

**OR**

3. The corporation's known debts and liabilities have been adequately provided for by their assumption by \_\_\_\_\_ *(type name and address of assumer)* \_\_\_\_\_.

**OR**

3. The corporation's known debts and liabilities have been adequately provided for as far as its assets permitted. (Type what provision has been made; include the name and address of the corporation, person or governmental agency assuming or guaranteeing payment, or the name and address of the depository where deposit has been made or other information necessary to enable creditors or others to whom payment is to be made to appear and claim payment.)

**OR**

3. The corporation never incurred any known debts or liabilities.

4. The known assets have been distributed to the persons entitled thereto.

**OR**

4. The corporation never acquired any known assets.

5. The corporation is dissolved.

6. The corporation has no members, the election was made by all the directors of the corporation.

**OR**

6. The election to dissolve was made by the vote of all the members of the corporation.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

DATE: \_\_\_\_\_

\_\_\_\_\_  
*(Signature of Director)*  
(Typed Name of Director), Director

\_\_\_\_\_  
*(Signature of Director)*  
(Typed Name of Director), Director

\_\_\_\_\_  
*(Signature of Director)*  
(Typed Name of Director), Director

### **NOTE**

*Choose only one of the #3 statements*

CONTINUE TO PARAGRAPH 4

### **NOTE**

*Choose only one of the #4 statements*

CONTINUE TO PARAGRAPH 5

### **NOTE**

*Choose only one of the #6 statements*

CONTINUE TO DECLARATION

**Note:** Documents should be drafted following this sample only if the election to dissolve was made by the vote of **all** the members of a corporation **with** members or by **all** members of the board of directors of a corporation **without** members. If neither of these circumstances apply, both a Certificate of Election to Wind Up and Dissolve and a Certificate of Dissolution must be prepared and filed following samples NP ELEC and NP DISS.

# **CERTIFICATE OF ELECTION TO WIND UP AND DISSOLVE**

The undersigned certify that:

1. They constitute a majority of directors now in office of \_\_\_\_\_ *(NAME OF CORPORATION)* \_\_\_\_\_, a California corporation.
2. The corporation has elected to wind up and dissolve.
3. The election was made by the vote of \_\_\_\_\_ members of the corporation, constituting a majority of all members.

**OR**

3. The election was made by the board of directors together with the vote of a majority of the members voting on the election to dissolve.

**OR**

3. The corporation has no members, the election was made by the board of directors of the corporation.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

DATE: \_\_\_\_\_

\_\_\_\_\_  
*(Signature of Director)*  
( Typed Name of Director), Director

\_\_\_\_\_  
*(Signature of Director)*  
( Typed Name of Director), Director

\_\_\_\_\_  
*(Signature of Director)*  
( Typed Name of Director), Director

**NOTE**  
  
*Choose only  
one of the #3  
statements*  
  
CONTINUE TO  
DECLARATION

THE CERTIFICATE OF ELECTION TO WIND UP AND DISSOLVE MUST BE FILED PRIOR TO OR SIMULTANEOUSLY WITH THE CERTIFICATE OF DISSOLUTION (DISS-NP).

**Note:** If the election to dissolve was made by the vote of **all** the members of a corporation **with** members or by **all** members of the board of directors of a corporation **without** members, the Certificate of Election is not required. Draft the Certificate of Dissolution following the sample SINGLE NP DISS 100%.

CERTIFICATE OF DISSOLUTION

The undersigned certify that:

- 1. They constitute a majority of the directors now in office of \_\_\_\_\_ (NAME OF CORPORATION) \_\_\_\_\_, a California Corporation.
- 2. The corporation has been completely wound up.
- 3. The corporation's known debts and liabilities have been actually paid.

OR

- 3. The corporation's known debts and liabilities have been paid as far as its assets permitted.
- OR
- 3. The corporation's known debts and liabilities have been adequately provided for by their assumption by \_\_\_\_\_ (type name and address of assumer) \_\_\_\_\_.

OR

- 3. The corporation's known debts and liabilities have been adequately provided for as far as its assets permitted. (Type what provision has been made, setting forth the name and address of the corporation, person or governmental agency that has assumed or guaranteed the payment, or the name and address of the depositary with which deposit has been made or other information necessary to enable creditors or others to whom payment is to be made to appear and claim payment.)

OR

- 3. The corporation never incurred any known debts or liabilities.

- 4. The known assets have been distributed to the persons entitled thereto.

OR

- 4. The corporation never acquired any known assets.

- 5. The corporation is dissolved.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

DATE: \_\_\_\_\_

\_\_\_\_\_  
(Signature of Director)  
(Typed Name of Director), Director

\_\_\_\_\_  
(Signature of Director)  
(Typed Name of Director), Director

\_\_\_\_\_  
(Signature of Director)  
(Typed Name of Director), Director

THE CERTIFICATE OF ELECTION TO WIND UP AND DISSOLVE MUST BE FILED PRIOR TO OR SIMULTANEOUSLY WITH THIS CERTIFICATE.

**Note:** If the election to dissolve was made by the vote of **all** the members of a corporation **with** members or by **all** members of the board of directors of a corporation **without** members, the Certificate of Dissolution should be drafted following the sample SINGLE NP DISS 100%.